



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0575	<b>Title:</b>	Revise TANF laws
<b>Primary Sponsor:</b>	Caferro, Mary	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$642,516	\$642,516	\$642,516	\$642,516
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### **Description of fiscal impact:**

This bill will increase the Temporary Assistance for Needy Families (TANF) benefit costs each year.

### **FISCAL ANALYSIS**

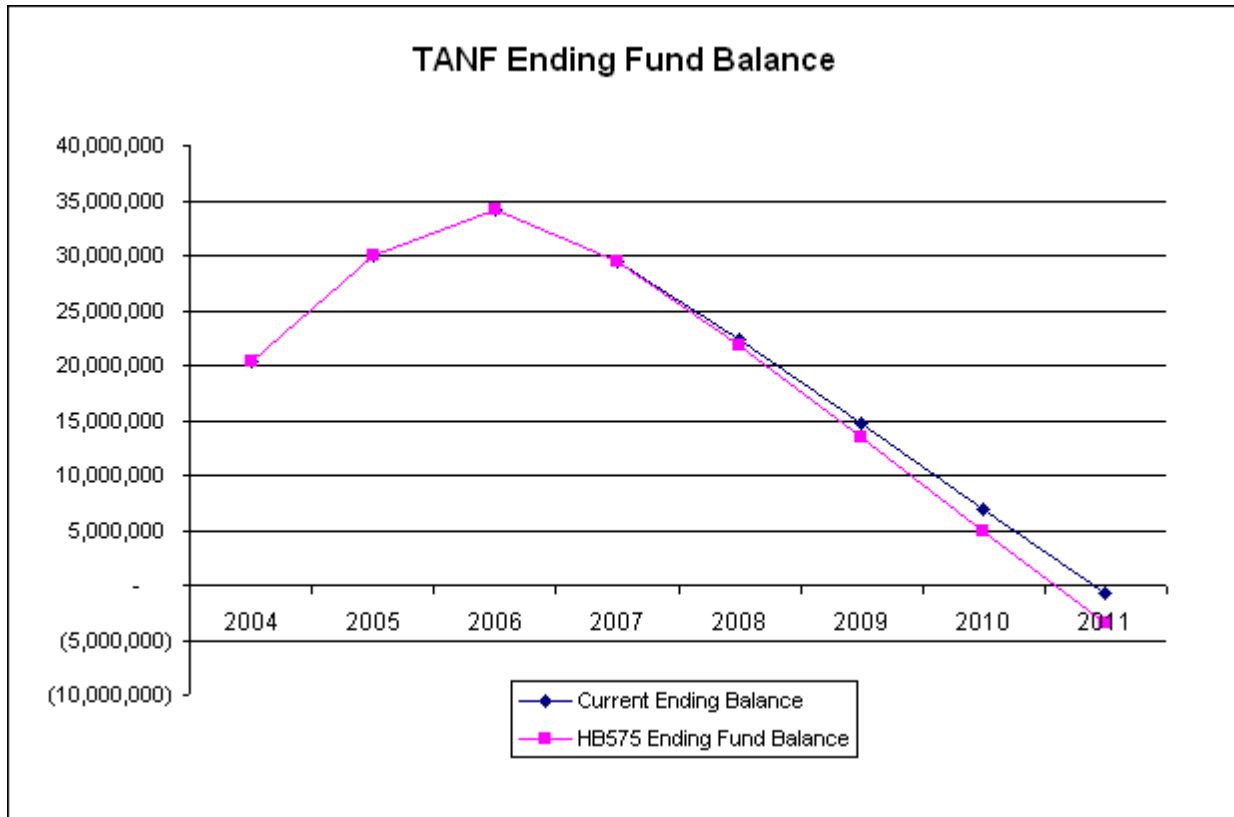
#### **Assumptions:**

#### **Department of Public Health and Human Services**

1. The average TANF household is a family of three with one working parent, thus this is the family size the Department of Public Health and Human Services has used for calculations.
2. The estimated income is 25 hours per week at minimum wage of \$6.15 per hour for a total monthly income of \$661.12.
3. Twenty-five percent of the wage earners actually earn more than minimum wage.
4. Statistical information was based on an average of the three months of July through September 2006. The average TANF caseload at that time was 3,587. The average Child only grant cases was 1,191. The average number of cases with an adult in the family was 2,396.
5. The current income disregard would give the recipient a monthly cash benefit amount of \$107 for a household family of three. HB 575 proposed income disregard would give the recipient a monthly cash benefit amount of \$182 for a family of three.

6. Statistical information on the average number of adults receiving TANF (2,728) showed that 638 adult recipients, or 23 percent, had earned income.
7. There were 2,396 adult, single parent TANF cases. It is assumed that 23 percent, or 551 had earned income. It is assumed that 25 percent of cases (138 cases) will have earnings above the minimum wage amount and would be ineligible for the program. Therefore 413 cases would see an increase of \$75 (\$182 -\$102).
8. During this same time period, an average of 718 new case applications were received for the TANF program. If 23 percent of this population had earned income, then 165 new cases would have earned income. If 25 percent of that group (41 cases) had income over the minimum wage, they would not be eligible for the program; 75 percent of these applicants would be eligible for cash assistance. Thus 124 new cases would be eligible under this bill. ( $718 \times 23\% \times 75\% = 124$  new cases)
9. Calculations: Cost of exiting cases ( $413 \times \$75 \times 12$ ) = \$371,700  
                   Cost of new cases     ( $124 \times \$182 \times 12$ ) = \$270,816  
                   Total annual cost of the bill is \$642,516

	<b><u>FY 2008</u></b> <b><u>Difference</u></b>	<b><u>FY 2009</u></b> <b><u>Difference</u></b>	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Benefits	\$642,516	\$642,516	\$642,516	\$642,516
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$642,516	\$642,516	\$642,516	\$642,516
<b>TOTAL Funding of Exp.</b>	<u>\$642,516</u>	<u>\$642,516</u>	<u>\$642,516</u>	<u>\$642,516</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(\$642,516)	(\$642,516)	(\$642,516)	(\$642,516)



**Technical Notes:**

Projected impact of this bill will result in the TANF block grant having a negative fund balance of \$3.3M at the end of FY 2011.

*Sponsor's Initials*

*Date*

*Budget Director's Initials*

*Date*